Company Registration No. 02511140 (England and Wales)

RIGHT DIGITAL SOLUTIONS LIMITED

(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

RIGHT DIGITAL SOLUTIONS LIMITED
(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

COMPANY INFORMATION

Directors	P M Gillett	(Appointed 1 August 2020)
	N D Jones	(Appointed 1 August 2020)
	I Jones	(Appointed 3 August 2020)
	V Peters	(Appointed 3 August 2020)
Secretary	N D Jones	(Appointed 1 August 2020)
Company number	02511140	
Registered office	Milton Gate, 60 Chiswell Street, London United Kingdom EC1Y 4AG	
Auditor	KPMG LLP 15 Canada Square London E14 5GL	
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP	

RIGHT DIGITAL SOLUTIONS LIMITED
(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

CONTENTS

RIGHT DIGITAL SOLUTIONS LIMITED
(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the Strategic report and financial statements for the year ended 31 December 2019.

Review of the business

Right Digital Solutions Limited (formerly Capita Workplace Technology Limited)("The Company") was, at 31 December 2019, a wholly owned subsidiary (indirectly held) of Capita Plc. Capita Plc and its subsidiaries are hereafter referred to as "the Group". The Company operated within the Group's Specialist Services division. The Company acquired the business and trade of Complete Imaging Limited, a fellow subsidiary, on 1 July 2019. Subsequently, on 1 August 2020 the Company was sold by Capita back to its previous owners to become an independently owned private company.

The principal activity of the Company continues to be that of the supply, support and management of total document solutions with a specialisation in Managed Print Services (MPS) and associated DocuCheck® consultancy, incorporating the sale, implementation, and servicing of mono and colour digital multifunctional devices, printers, scanners, facsimile, associated print, scan and archiving software and other office equipment to our customers on a nationwide basis. There have not been any significant changes in the Company's principal activities in the year under review, other than the business transfer of Complete Imaging Limited to Right Digital Solutions Limited (formerly Capita Workplace Technology Limited). The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's income statement on page 10, revenue has decreased from £35,863,000 (restated) to £28,741,000 compared to the prior year as a result of a planned rationalisation of some sales area. However, the level of profitability has improved significantly. The benefits of the efficiency improvement programmes initiated by management are reflected in the increase in gross profit levels (2019: £4,261,000; 2018: £2,713,000 (restated)) and in a year on year reduction of £1,334,000 in total administrative expenses resulting in a profit before tax of £397,000 in 2019 compared to a loss of £2,485,000 (restated) in 2018. Further opportunities to improve operational performance continue to be identified across the business and management remain committed to developing processes to deliver both improved financial and operational controls and a more efficient performance. For details regarding restatement, refer Note 20.

The Company adopted IFRS 16 during the year which sets out the principles for the recognition, measurement, presentation and disclosure of leases. The adoption of IFRS 16 has had no impact on financial statements of the Company.

The balance sheet on pages 11-12 of the financial statements shows the Company's financial position at the year end. Net assets have increased from £15,366,000 in 2018 (restated) to £15,673,000 due to the profits during the year. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 9, 10 and 16 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Specialist Services division of Capita plc is discussed in the Group's annual report which does not form part of this report.

Covid-19 had a major impact on the business in early 2020 with a significant reduction in customer activity as offices and business were shut down. Management responded by implementing existing "working from home" contingency plans for its office sites, implementing new safe working practices and by furloughing some staff. These measures worked well and the Company is now seeing a slow but steady recovery. However, the Company believes that there will be permanent changes in working practices and accelerated demand for customers to access new digital solutions as well as traditional print solutions. The Company is well placed to offer those solutions.

The focus now is on ensuring the Company's employees and customers are safe, that its cost base is kept in check and that it maintains full capability to deliver digital print solutions to customers.

We are immensely proud of the collective achievements of all our staff over the last year and the subsequent period of transition that has seen the Company leave Capita to become an independent private company again.

Principal risks and uncertainties

The Company is subject to various risks and uncertainties during the ordinary course of its business many of which result from factors outside of its control. The Company's risk management framework provides reasonable (but cannot provide absolute) assurance that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

The principal themes of risk for the Company are:

- *Strategic*: changes in economic and market conditions such as contract pricing and competition.
- *Financial*: significant failures in internal systems of control and lack of corporate stability.
- *Operational:* including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance:* non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern its business.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- Regularly reviewing trading conditions to be able to respond quickly to change in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to an internal control framework.

Capita plc has also implemented appropriate controls and risk governance techniques across all of its businesses which are discussed in the Group's annual report which doesn't form part of this report.

Section 172 statement

The Company forms part of the Specialist Services division of the Group and Capita plc's section 172 statement applies to both the Division and the Company to the extent it relates to the Company's activities. Common policies and practices are applied throughout the Group via divisional management teams and a common governance framework. The following disclosure describes how the Directors have had regard to the matters set out in section 172(1a) to (f) and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

Further details of the Group approach to each stakeholder are provided in Capita plc's section 172 statement which can be found on page 39 of Capita plc's Annual Report.

Stakeholder	**Strategic issue**	**Engagement**	**Outcome**	**Principal decision***
Our people	Workforce engagement; organisational culture; employee net promoter score	People surveys; regular all-employee communications	Established managers' commitments; research into future of work	Application of standard Capita plc policies and procedures; refreshed purpose, values and behaviours
Clients and customers	Net promoter score; quality and sustainability; additional value	Client survey; regular meetings with key clients and customers	Receipt of regular detailed feedback summaries; application of standard Capita plc policies and procedures which includes the establishment of Group contract review committee to ensure delivery against contractual obligations	Collaboration with clients and customers on key contracts

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Stakeholder	Strategic issue	Engagement	Outcome	Principal decision*
Suppliers and partners	Payment practices	Capita plc holds regular meetings with Federation of Small Businesses; account management meetings with large suppliers	Application of Group payment policies including supplier charter; signatory to UK Prompt Payment Code (target 95% of supplier payments within 60 days)	
Society	Operating responsibly	Meetings, memberships and surveys of non-governmental organisations and charities	Group established responsible business strategy and responsible business committee; approval of third-party transaction guidelines; commitment to real living wage in 2020; enhanced family pay policies; Fair Tax Mark accreditation	Approval of new code of conduct

* Principal decisions are those that are material to the Group and/or significant to any of our key stakeholder groups.

On behalf of the board

Ian Jones.

I Jones

Director

Date: 12 November 2020

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their Directors' report and financial statements for the year ended 31 December 2019.

Results and dividends
The results for the year are set out on page 10.

No dividend was paid during the year (2018: £nil).

Environment
Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with Group policies, which are described in the Group's annual report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Directors
The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

S N Taylor on behalf of Capita Corporate Director Limited	(Resigned 1 August 2020)
S P Hallissey	(Resigned 26 March 2019)
R J Montague-Fuller	(Appointed 1 April 2019 and resigned 1 August 2020)
A Mactaggart	(Resigned 1 August 2020)
P M Gillett	(Appointed 1 August 2020)
N D Jones	(Appointed 1 August 2020)
I Jones	(Appointed 3 August 2020)
V Peters	(Appointed 3 August 2020)

Political donations
The Company made no political donations and incurred no political expenditure during the year (2018: £nil).

Auditor
KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the Financial statements

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he might reasonably be expected to take as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Qualifying third party indemnity provisions

The Company has granted an indemnity to the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

On behalf of the board

Ian Jones

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I Jones

Director

Date: 12 November 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIGHT DIGITAL SOLUTIONS LIMITED (formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

Opinion

We have audited the financial statements of Right Digital Solutions Limited (formerly Capita Workplace Technology Limited) ("the Company") for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

TO THE MEMBERS OF RIGHT DIGITAL SOLUTIONS LIMITED (formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 5 and 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: http://www.frc.org.uk/ auditors responsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Weaver

Simon Weaver (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 12 November 2020

RIGHT DIGITAL SOLUTIONS LIMITED
(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £ '000	Restated* 2018 £ '000
Revenue	3	28,741	35,863
Cost of sales		(24,480)	(33,150)
Gross profit		**4,261**	**2,713**
Administrative expenses		(3,864)	(5,198)
Operating profit/(loss)	4	**397**	**(2,485)**
Income tax (charge)/credit	5	(90)	463
Total comprehensive income/(expense) for the year		**307**	**(2,022)**

*Refer Note 20.

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through income statement.

There are no movements in other comprehensive income during the financial year.

The notes on pages 14 to 36 form an integral part of the financial statements.

RIGHT DIGITAL SOLUTIONS LIMITED
(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £ '000	Restated* 2018 £ '000
Non-current assets			
Property, plant and equipment	6	178	198
Intangible assets	7	62	-
Deferred tax	5	134	59
		374	**257**
Current assets			
Inventories	8	3,381	4,576
Trade and other receivables	9	28,790	23,360
		32,171	**27,936**
Total assets		**32,545**	**28,193**
Current liabilities			
Trade and other payables	10	12,203	9,765
Deferred income	11	978	574
Financial liabilities	12	3,499	1,141
Income tax payable		192	1,347
		16,872	**12,827**
Total liabilities		**16,872**	**12,827**
Net assets		**15,673**	**15,366**

RIGHT DIGITAL SOLUTIONS LIMITED
(formerly CAPITA WORKPLACE TECHNOLOGY LIMITED)

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

	Notes	2019 £ '000	Restated* 2018 £ '000
Capital and reserves			
Issued share capital	**13**	25	25
Capital redemption reserve		25	25
Retained earnings		15,623	15,316
Total equity		**15,673**	**15,366**

*Refer Note 20.

The accompanying notes on pages 14 to 36 form an integral part of these financial statements.

Approved by Board and authorised for issue on 12 November 2020.

I Jones.

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I Jones
Director
Company Registration No. 02511140

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Capital redemption reserve	Retained earnings	Total equity
	£ '000	£ '000	£ '000	£ '000
At 1 January 2018	**25**	**25**	**17,338**	**17,388**
Total comprehensive expense for the year (restated) - refer note 20	-	-	(2,022)	(2,022)
Contribution in respect of share based payment charge	-	-	15	15
Settlement of share based payment charged by intercompany	-	-	(15)	(15)
At 31 December 2018 (restated)	**25**	**25**	**15,316**	**15,366**
Total comprehensive income for the year	-	-	307	307
At 31 December 2019	**25**	**25**	**15,623**	**15,673**

a) Share Capital

The balance classified as share capital is the nominal proceeds on issue of the Company's equity capital, comprising 25,000 ordinary shares of £1 each.

b) Capital redemption reserve

The Company can redeem shares by repaying the market value to the shareholder whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

c) Retained earnings

Net profits kept to accumulate in the Company after dividends are paid and retained in the business as working capital.

The notes on pages 14 to 36 form an integral part of the financial statements.

1 Accounting policies

1.1 Basis of preparation

Right Digital Solutions Limited (formerly Capita Workplace Technology Limited) is a company incorporated and domiciled in the UK.

The financial statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards.

Management has produced forecasts that have also been flexed to reflect the severe but plausible downside scenarios as a result of the Covid-19 pandemic and its impact on the Company, which have been reviewed by the directors. These demonstrate the Company is forecast to generate profits and cash in the year ending 31 December 2020 which is largely driven by product sales in the second half of 2020. Although some of the downside scenarios forecast material losses and cash reduction for the year 2021, the Company was refinanced on its sale to new owners on 1 August 2020 with the elimination of bank borrowings and injections of new cash, such that the Company had sufficient cash reserves as at 30 September 2020 to enable the Company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements.

The Company was divested by Capita on 1 August 2020 becoming a privately owned company with no external borrowings or debt.

As such and after making enquiries, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the directors continue to adopt the going concern basis for preparing these financial statements.

1.2 Compliance with accounting standards

The Company has applied FRS 101 – Reduced Disclosure Framework in the preparation of its financial statements. The Company has prepared and presented these financial statements by applying the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but made amendments, where necessary, in order to comply with the Companies Act 2006.

The Company's ultimate parent undertaking, Capita plc, includes the Company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from Capita plc's website on http:// investors.capita.com.

In these financial statements, the Company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Certain disclosure required by IFRS 15 Revenue from Contract with Customers;
- Certain disclosure required by IFRS 16; and
- Disclosures in respect of the compensation of key management personnel.

1 Accounting policies **(Continued)**

1.2 Compliance with accounting standards (continued)

As the consolidated financial statements of Capita plc include equivalent disclosures, the Company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company, in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

1.3 Changes in accounting policies

Initial adoption of IFRS 16 Leases

IFRS 16 (effective 1 January 2019) replaces IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company applied IFRS 16 using the modified retrospective approach, under which the Company has measured the right-of-use assets at the value of lease liability. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported under IAS 17 and related interpretations.

The adoption of the above changes has had no impact on the financial statements of the Company, as it does not hold any eligible leases.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 (effective 1 January 2019) addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. The Company has initially applied IFRIC 23 Uncertainty over Income Tax Treatments at 1 January 2019. The Company applies judgement in quantifying uncertainties over income tax treatments and has considered whether it should adjust its uncertain tax provisions in line with this new criteria. There is no impact on the Company's financial statements due to the application of IFRIC 23 (2018: £nil).

In addition, the Company has adopted the new amendments to standards detailed below but they do not have a material effect on the Company's financial statements.

New amendments or interpretation	Effective date
Prepayment features with negative compensation (Amendments to IFRS 9)	1 January 2019
Plan amendment, curtailment or settlement (Amendments to IAS 19)	1 January 2019
Annual improvements to IFRS Standards 2015-2017 cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	1 January 2019

1 Accounting policies **(Continued)**

1.4 Revenue recognition

The Company offers a number of digital print solutions including managed print solutions (which include pass through revenue), product sales and service maintenance and therefore it uses a variety of methods for revenue recognition based on the principles set out in IFRS15.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of judgements and assumptions. These judgements are inherently subjective and may cover future events. In addition, for certain contracts, key assumptions are made concerning contract extensions and amendments.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

For all contracts, the Company determines if the arrangement with a customer creates enforceable rights and obligations. This assessment results in certain Master Service Agreements ('MSA's') not meeting the definition of a contract under IFRS 15 and as such the individual call-off agreements, linked to the MSA, are treated as individual contracts.

The Company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term. The term of the contract impacts both the period over which revenue from performance obligations may be recognised.

At contract inception the total transaction price is estimated, being the amount to which the Company expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed KPIs. Such amounts are only included based on the expected value or the most likely outcome method, and only to the extent that it is highly probable that no revenue reversal will occur.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Company allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation, the Company determines if revenue will be recognised over time or at a point in time. Where the Company recognises revenue over time for long term contracts, this is in general due to the Company performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

1 Accounting policies **(Continued)**

1.4 Revenue recognition (continued)

For each performance obligation to be recognised over time, the Company applies a revenue recognition method that faithfully depicts the Company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Company has promised to transfer to the customer. The Company applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the Company recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, for long term service contracts where the series guidance is applied, the Company often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the overtime criteria, the Company recognises revenue at a point in time.

At the point of providing hardware, there can be settlement costs payable to third parties in respect of previous hardware purchase which is being replaced. These costs, alongside with all other costs (equipment, parts, software, consultancy, etc.), are usually expensed in full at the point of time when the hardware and all other related performance obligations are delivered.

Transactional (Point in time) contracts

The Company delivers a range of goods or services in all reportable segments that are transactional services for which revenue is recognised at the point in time when control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes (i) provision of IT hardware goods; (ii) commission received as agent from the sale of third party software; and (iii) fees received in relation to delivery of professional services.

Contract modifications

The Company's contracts can be amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations.

The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

a. prospectively as an additional separate contract;
b. prospectively as a termination of the existing contract and creation of a new contract;
c. as part of the original contract using a cumulative catch up; or
d. as a combination of b) and c).

For contracts for which the Company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b); d) may arise when a contract has a part termination and a modification of the remaining performance obligations.

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

1 Accounting policies **(Continued)**

1.4 Revenue recognition (continued)

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price. Importantly any variable consideration is only recognised to the extent that it is highly probably that no revenue reversal will occur.

Principal versus agent

The Company has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service or good.

This assessment of control requires judgement in particular in relation to certain service contracts. Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent revenue is recorded at a net amount reflecting the margin earned.

Deferred and accrued income

The Company's customer contracts include a variety of payment schedules dependent upon the nature and type of goods and services being provided. The Company can agree payment schedules at the inception of long term contracts under which it receives payments throughout the term of the contracts. These payment schedules may include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance.

Where payments made are greater than the revenue recognised at the period end date, the Company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Company recognises an accrued income contract asset for this difference.

At each reporting date, the Company assesses whether there is any indication that accrued income assets may be impaired by considering whether the revenue remains highly probable that no revenue reversal will occur. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1 Accounting policies **(Continued)**

1.5 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Over the period of the lease
Fixtures, fittings & equipment	3 - 5 years
Computer equipment	3 - 5 years

1.6 Intangible assets

Intangibles are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically 5 to 20 years. In the case of capitalised software development costs, research expenditure is written off to the statement of profit and loss in the period in which it is incurred.

Development expenditure is written off in the same way unless and until the Company is satisfied as to the technical, commercial and financial viability of individual projects. In these cases, the development expenditure is capitalised and amortised over the period during which the Company is expected to benefit.

1.7 Inventories

Inventory is valued at the lower of cost and net realisable value. The cost of inventory in warehouses is based on the first-in first out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. The cost of other inventory is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.8 Leasing

The Company has only leases with low value and/or a term of 12 months of less. This includes property arrangements in which the Company does not enter into any legal lease agreement nor lease liability. Instead, the Company uses properties owned or leased by other Capita entities and bears an allocation of costs through an intercompany recharge.

The Company has applied the exemption in the standard, and recognised these costs as an expense in the income statement as incurred.

1 Accounting policies **(Continued)**

1.9 Income Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

1 Accounting policies **(Continued)**

1.10 Pensions

The Company participates in a number of defined contribution schemes and contributions are charged to the income statement account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the Company. The Company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Group liability centrally. Any unpaid contributions at the year-end have been accrued in the accounts of that company.

1.11 Share-based payments

The Company participates in various share option and sharesave schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the Group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the Company, since the previous balance sheet date is recognised in the income statement and settled with Capita plc, the ultimate parent undertaking.

In accordance with IFRS 2, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the Company are disclosed as a charge to the income statement and a credit to equity. The Company's policy is to reimburse its ultimate parent company through the intercompany account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

1 Accounting policies **(Continued)**

1.12 Financial instruments

Other financial assets

(i) Classification
The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in income statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in income statement.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses), and impairment expenses are presented as a separate line item in the income statement.

1 Accounting policies **(Continued)**

1.12 Financial instruments (Continued)

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in income statement and presented net within other gains/(losses) in the period in which it arises.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment
The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade and other receivables
The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

Cash and cash equivalents
Cash and short term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

Interest-bearing loans and borrowings
All loans and borrowings are initially recognised at their fair value less any directly attributable transaction costs.

After initial recognition, loans and borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of revenue, profit recognition on certain contractual arrangements and valuation of inventory.

The measurement of revenue and resulting profit recognition - In determining the amount of revenue and profits to record, and related balance sheet items (such as trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of judgements and assumptions. These judgements are inherently subjective and may cover future events. In addition, for certain contracts, key assumptions are made concerning contract extensions and amendments (see note 1.4).

The measurement of stock in field – due to the quantity of stock in field and the variety of its location, there are judgements and assumptions to be applied to the valuation of stock in field. Such stock is valued in the accounts using the average purchase price for the year. Quantity of stock on shelves is determined by using ratios. The ratios are calculated by evaluating records held on customer stock levels and assigning an average stock in field value reference across devices. Quantity of stock in machines connected to remote access software is determined by taking readings on the actual level of toner directly from the equipment. Quantity of stock in machines not connected to remote access software is derived by applying average levels of toner in the automated machines to overall toner count.

For equipment serviced by third parties the company does not handle any consumables and toners as they are delivered directly to the customers. As a result of such arrangements, the business does not have visibility over the movements and level of such stock in field and therefore reports a nil value for toners attached to those equipments.

Stock in field that is no longer available for order (obsolete) is assumed to have zero value.

3 Revenue

The total revenue of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit for the year

	2019	2018
	£ '000	**£ '000**
Operating profit for the year is stated after charging:		
Depreciation of property, plant and equipment	72	61
Operating lease rentals - plant and machinery	-	206
Operating lease rentals - other assets	-	144
Trade receivables written off	-	556

Audit fees are borne by ultimate parent undertaking, Capita plc. The audit fee for the current period was £15,502 (2018: £15,450). The Company has taken advantage of the exemption provided by regulation 6(2) (b) of the Companies (Disclosure of Audit Remuneration and Liability Agreement) Regulation 2008 not to provide information in respect of fees for other (non-audit) services as the information is required to be given in the Company account of the ultimate parent undertaking which is required to prepare in accordance with the Companies Act 2006.

Operating lease rentals in 2018 included property arrangements in which the Company did not enter into any legal lease agreement nor lease liability. Instead, the Company uses properties owned or leased by other Capita entities and bears an allocation of costs through an intercompany recharge. In 2019 these costs continue to be expensed as incurred in the income statement. However, on adoption of IFRS 16 the Company has not disclosed specific amounts.

5 Income tax

The major components of income tax expense/(credit) for the years ended 31 December 2019 and 2018 are:

	2019	Restated* 2018
	£ '000	**£ '000**
Current tax		
UK Corporation tax	92	(456)
Adjustments in respect of prior periods	34	-
	126	**(456)**
Deferred tax		
Origination and reversal of temporary differences	(13)	(7)
Adjustments in respect of prior periods	(23)	-
	(36)	**(7)**
Total tax charge/(credit) reported in the income statement	**90**	**(463)**

5 Income tax **(Continued)**

The reconciliation between tax charge/(credit) and the accounting profit/(loss) multiplied by the UK corporation tax rate for the years ended 31 December 2019 and 2018 is as follows:

	2019	Restated* 2018
	£ '000	£ '000
Profit/(loss) before tax	397	(2,485)
Profit/(loss) before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	75	(472)
Taxation impact of factors affecting tax charge:		
Adjustments in respect of current income tax of prior periods	34	-
Adjustments in respect of deferred tax of prior periods	(23)	-
Expenses not deductible for tax purposes	3	8
Impact of changes in statutory tax rates	1	1
Total adjustments	**15**	**9**
Total tax charge/(credit) reported in the income statement	**90**	**(463)**

	Balance sheet		Income Statement	
	2019	2018	2019	2018
	£ '000	£ '000	£ '000	£ '000
Decelerated capital allowances	128	59	30	7
Other short term timing differences	6	-	6	-
Net deferred tax asset	**134**	**59**		
Deferred tax credit			**36**	**7**

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. On the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset would have increased by £15,788.

*Refer Note 20.

6 Property, plant and equipment

	Land and buildings Leasehold	Furniture, fittings & equipments	Computer equipment	Total
	£ '000	**£ '000**	**£ '000**	**£ '000**
Cost				
At 1 January 2019	261	10	92	363
Additions	-	-	18	18
BTA In	88	-	9	97
Asset retirement	-	(7)	(24)	(31)
At 31 December 2019	**349**	**3**	**95**	**447**
Depreciation and impairment				
At 1 January 2019	118	8	39	165
BTA In	60	-	3	63
Depreciation	35	1	36	72
Asset retirement	-	(7)	(24)	(31)
At 31 December 2019	**213**	**2**	**54**	**269**
Net book value				
At 31 December 2018	**143**	**2**	**53**	**198**
At 31 December 2019	**136**	**1**	**41**	**178**

7 Intangible fixed assets

	Software
	£ '000
Cost	
At 1 January 2019	-
Additions	62
At 31 December 2019	**62**
Amortisation and impairment	
Amortisation	-
At 31 December 2019	-
Net book value	
At 31 December 2018	-
At 31 December 2019	**62**

The additions relate to the software development of a customer portal for the Company. No amortisation was charged for the year as the asset was not put to use untill 31 December 2019.

8 Inventories

	2019 £ '000	2018 £ '000
Stock in field	2,455	1,575
Stock in warehouse	663	512
Other stock	263	2,489
	3,381	**4,576**

9 Trade and other receivables

	2019 £ '000	Restated* 2018 £ '000
Trade receivables	2,053	685
Prepayments and accrued income	824	1,598
Amounts due from parent & fellow subsidiary undertaking	25,913	21,077
	28,790	**23,360**

*Refer Note 20.

10 Trade and other payables

	2019 £ '000	Restated* 2018 £ '000
Trade payables	721	5,009
Other taxes and social security	79	940
Accruals	869	3,646
Other payables	6	-
Amounts due to parent and fellow subsidiary undertaking	10,528	170
	12,203	**9,765**

*Refer Note 20.

11 Deferred income

	2019 £ '000	2018 £ '000
Deferred income	978	574
	978	**574**

12 Financial liabilities

	2019 £ '000	2018 £ '000
Overdrafts	3,499	1,141
	3,499	**1,141**

13 Issued share capital

	2019 Numbers	2018 Numbers	2019 £ '000	2018 £ '000
Issued and fully paid				
Ordinary shares of £1 each				
At 1 January 2019	25,000	25,000	25	25
At 31 December 2019	**25,000**	**25,000**	**25**	**25**

14 Employee benefits

The total costs charged to income in respect of defined contribution plan is £546k (2018: £337k).

15 Directors' remuneration

	2019 £ '000	2018 £ '000
Remuneration for qualifying services	-	325
Company pension contributions to defined contribution schemes	-	2
	-	**327**

No Directors were paid by the Company this year, as none had provided qualifying services to the Company and are paid by other companies within the Capita Group. Such remuneration including reimbursement of expenses has not been allocated to the Company.

The number of Directors for whom retirement benefits are accruing under defined contribution scheme amount to nil (2018: 2).

The number of Directors who exercised share option during the year was nil (2018: nil)

15 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid Director:

	2019	2018
	£ '000	£ '000
Remuneration for qualifying services	-	225
Company pension contributions to defined contribution schemes	-	1
	-	**226**

16 Related party transactions

During the year, the Company entered into the following transactions with related parties:

Nature of Transaction	Name of Company	Year	Fellow Subsidiary Total (£)
Purchase of Goods/ Services			
	Axelos Limited	December 31, 2019	3,151
		December 31, 2018	-
	Total		
		December 31, 2019	**3,151**
		December 31, 2018	**-**

Nature of Transaction	Name of Company	Year	Fellow Subsidiary Total (£)
Sales of Goods and services			
	Capita Glamorgan Consultancy Limited	December 31, 2019	57,534
		December 31, 2018	-
	Axelos Limited	December 31, 2019	14,834
		December 31, 2018	19,273
	Fera Science Limited	December 31, 2019	12,634
		December 31, 2018	-
	Total		
		December 31, 2019	**85,002**
		December 31, 2018	**19,273**

16 Related party transactions **(Continued)**

Nature of Balances	Name of Company	Year	Fellow Subsidiary Total (£)
Trade Payables			
	Axelos Limited	December 31, 2019	2,707
		December 31, 2018	-
	Total		
		December 31, 2019	**2,707**
		December 31, 2018	**-**

Nature of Balances	Name of Company	Year	Fellow Subsidiary Total (£)
Trade Receivables			
	Axelos Limited	December 31, 2019	-
		December 31, 2018	3,874
	Fera Science Limited	December 31, 2019	870
		December 31, 2018	-
	Total		
		December 31, 2019	**870**
		December 31, 2018	**3,874**

Terms and conditions of the transactions with related parties
The above transactions are inclusive of VAT where applicable.

17 Employees

The average monthly number of employees (including non-executive Directors) during the year was:

	2019 Number	2018 Number
Sales	30	35
Operations	130	103
Administration	21	13
	181	**151**

17 Employees (Continued)

Their aggregate remuneration comprised:

Employee costs	2019 £ '000	2018 £ '000
Wages and salaries	8,045	7,573
Social security costs	883	843
Pension costs	546	337
Shared based payments	-	15
	9,474	**8,768**

On 1 July 2019 the assets and business of Complete Imaging Limited were transferred to Right Digital Solutions Limited (formerly Capita Workplace Technology Limited) ("the Company"). All employees of Complete Imaging Limited were transferred to the Company throughout 2018. As a result, a fee of £526,450 was charged to Complete Imaging Limited for management of the business by the Company for the first half of the year. As a result of the transformation programme having taken place during 2019, the Company has realised various significant cost savings, including employees' costs.

18 Controlling party

The Company's immediate undertaking is Capita Holdings Limited, a company incorporated in England and Wales. The Company's ultimate undertaking is Capita plc, a company incorporated in England and Wales. The financial statements of Capita plc are available from the registered office at 65 Gresham Street, London, England, EC2V 7NQ.

The Company was acquired by Right Group Holdings Limited on 1 August 2020.

19 Post balance sheet event

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which the Directors have assessed in considering the going concern assumption.

For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. The Directors have assessed that there is no impact on the recognition and measurement of assets and liabilities as a result of this subsequent event.

On 1 August 2020 the Company was sold by Capita and acquired by its previous owners. The Company was renamed Right Digital Solutions Limited on 21 August 2020 and is now wholly owned by Right Group Holdings Limited.

20 Reconciliation for 2018

The Company has identified the below transactions that would warrant a restatement for 2018. The impact on income statement and balance sheet is represented in the below restatement note for the year ended 31 December 2018.

Particulars	**Footnote**	**2018**	**Impact of Restatement**	**Restated 2018**
		£ '000	**£ '000**	**£ '000**
Turnover	A I	36,457	(594)	35,863
Cost of sales	A II	(32,710)	(440)	(33,150)
Gross profit		**3,747**	**(1,034)**	**2,713**
Administrative expenses		(5,198)	-	(5,198)
Loss before taxation		**(1,451)**	**(1,034)**	**(2,485)**
Income tax credit	A III	267	196	463
Loss for the year		**(1,184)**	**(838)**	**(2,022)**

20 Reconciliation for 2018

Restatement of Balance sheet as on 31 December 2018

Particulars	Foot- notes	2018	Impact of Restatement	Restated 2018
		£ '000	£ '000	£ '000
Non-current assets				
Property, plant and equipment		198	-	198
Deferred tax		59	-	59
Total non-current assets		**257**	-	**257**
Current assets				
Trade and other receivables	A I	23,954	(594)	23,360
Inventories		4,576	-	4,576
Total current assets		**28,530**	**(594)**	**27,936**
Total assets		**28,787**	**(594)**	**28,193**
Current liabilities				
Trade and other payables	A II	9,325	440	9,765
Deferred income		574	-	574
Financial liabilities		1,141	-	1,141
Income tax payable	A III	1,543	(196)	1,347
Total current liabilities		**12,583**	**244**	**12,827**
Net assets		**16,204**	**(838)**	**15,366**
Capital and reserves				
Issued share capital		25	-	25
Capital redemption reserve		25	-	25
Retained earnings	A I, A II, AIII	16,154	(838)	15,316
Total equity		**16,204**	**(838)**	**15,366**

20 Reconciliation for 2018

Footnotes to reconciliation:

Adjustment I: Overestimation of Revenue
Service revenue billable to customers in arrears was overestimated due to errors in calculations. As a result, both Revenue and Accrued Income asset were overestimated.

Adjustment II: Increase in Trade and other payables
Business' pass-through costs of equipment rental charges were under-accrued for. These have been given effect by increasing the Accruals and increasing the COS.

Adjustment III: Increase in Deferred Tax
Due to the changes in assets, liabilities, income and expenses recognised, there are as a consequence IAS 12 Income taxes differences that arise on current and deferred tax.